STATE OF INDIANA



Michael R. Pence, Governor

Department of Administration Procurement Division

402 W Washington Street, Room W468 Indianapolis, Indiana 46204 317.232.3053

Award Recommendation Letter

Date: November 26, 2014

To: Debby Walker, Deputy Commissioner, Indiana Department of Administration

Justin Weidner, Director of Strategic Sourcing, Indiana Department of Administration

From: Matt Robinson, Sr. Account Manager, Indiana Department of Administration

Subject: Recommendation of Selection for RFP 15-001,

Risk-Based Managed Care Services for Aged, Blind and Disabled Medicaid Beneficiaries (Hoosier Care

Connect)

Based on its evaluation of responses to RFP 15-001, it is the evaluation team's recommendation that **Anthem Insurance Companies, Inc., dba Anthem Blue Cross and Blue Shield (Anthem), MDwise, Inc. (MDwise) and Managed Health Services of Indiana (MHS)** be selected to begin contract negotiations to oversee the operation of Risk-Based Managed Care Services for Aged, Blind and Disabled Medicaid Beneficiaries (Hoosier Care Connect) for the Indiana Family & Social Services Administration.

Anthem has committed to subcontract 0.41% to Advanced Tactics Security, Inc. (a certified Minority-owned Business (MBE)), 1.19% to Bucher & Christian Consulting, Inc. dba BCForward and/or Stafforward LLC (MBE), 1.83% to Engaging Solutions, LLC (MBE), 3.18% to LCP Transportation, LLC (MBE), 0.93% to Smart IT, Inc. (MBE), 0.40% to CulturaLink, Inc., 0.08% to Fineline Printing Group, 1.35% to Cabello Associates, Inc. (a certified Woman-owned Business (WBE)), 6.30% to RepuCare, Inc. (WBE), 0.40% to MG Consulting, Inc. (WBE), 0.13% to Esource Resources, LLC (a certified Indiana Veteran Business Enterprise (IVBE)), 0.13% to ProjectLEADER, Inc. (IVBE), and 0.13% to Quality Printing Company, Inc. (IVBE) of the contract value.

MDwise has committed 0.14% to MG Consulting, Inc. (WBE), 0.08% to Eloquence Language Services LLC (WBE), 9.74% to Ride Right, LLC (WBE), 7.62% to A.I. King Insurance Agency, Inc. (MBE), 0.27% to Indiana Wellness Consultants, LLC (WBE), 1.28% to Plan B Marketing, Inc. dba Fat Atom (IVBE), and 1.23% to Professional Management Enterprises, Inc. (IVBE) of the contract value.

MHS has committed 8.39% to **LCP Transportation, LLC** (MBE), 0.47% to **Coles Marketing Communications** (WBE), 0.01% to **Colored Threads** (WBE), 0.21% to **Prairie Quest** (WBE), 0.83% to **Engaging Solutions, LLC** (WBE), 4.06% to **Repucare** (WBE), <0.01% to **Professional Interpreters for the Deaf** (WBE), 0.01% to **Keith Marketing** (WBE), 0.13% to **CulturaLink, Inc.** (MBE), and 0.61% to **Professional Management Enterprise** (IVBE) of the contract value

Estimated Amount of Contracts: \$4,000,000,000.

Estimated Administrative Amount of Contracts: \$150,835,903 (used as basis of M/W/VBE commitments).

The terms of this recommendation are included in this letter.

The evaluation team received six (6) proposals from:

- Advantage Health Solutions, Inc. (Advantage)
- Anthem Blue Cross and Blue Shield (Anthem)
- CareSource Indiana, Inc. (CareSource)
- Magellan Complete Care of Indiana (MCC)
- MDwise, Inc. (MDwise)
- Managed Health Services of Indiana (MHS)

The proposals were evaluated by FSSA and IDOA according to the following criteria established in the RFP:

| • | Adherence to Mandatory Requirements | (Pass/Fail) |
|---|-------------------------------------|-------------|
| • | Management Assessment/Quality (MAQ) | (60 pts.) |
| • | Indiana Economic Impact | (5 pts.) |
| • | Buy Indiana | (10 pts.) |

Minority and Women Business Sub-Contractor Commitment
Indiana Veteran Business Enterprise (IVBE) Subcontractor Commitment
(20 pts + 2 available bonus pts.)
(5 pts. + 1 available bonus pts.)

The proposals were evaluated according to the process outlined in Section 3.2 ("Evaluation Criteria") of the RFP. Scoring was completed as follows:

A. Adherence to Requirements

Each proposal was reviewed for adherence to mandatory requirements and deemed responsive. Each proposal was then evaluated based on its Business Proposal and Technical Proposal.

B. Management Assessment/Quality

Business Proposal (10 points)

For the business proposal evaluation, the team considered the information each respondent provided in the business proposal. These areas were reviewed to assess the respondent's ability to serve the State:

- Company Structure
- Financial Information
- Integrity of Company Structure
- References
- Subcontractors' Experience
- Experience Serving State Government

Technical Proposal (50 Points)

For the technical proposal evaluation, the team considered each respondent's proposal in the following areas:

- Background
- Administrative Requirements
- Covered Benefits
- Member Services
- Care Coordination
- Provider Network Requirements
- Quality Management and Utilization Management
- Information Systems
- Performance Reporting and Incentives
- Failure to Perform/Non-compliance Remedies
- Termination Provisions

The evaluation team's scoring is based on a review of the Respondents' proposed approach to each section of the technical proposal, Section 2.4, as well as specific questions that respondents were asked to respond to in the RFP and clarifications. The results of the management assessment/quality evaluation are shown below:

Table 1: Management Assessment/Quality Scores

| | MAQ SCORE | | | |
|------------|-----------|--------------------|--|--|
| RESPONDENT | (60 Max) | First Round Result | | |
| Advantage | 37.50 | Removed | | |
| Anthem | 46.25 | Short-Listed | | |
| CareSource | 36.13 | Removed | | |
| Magellan | 42.00 | Short-Listed | | |
| MDwise | 54.38 | Short-Listed | | |
| MHS | 50.13 | Short-Listed | | |

Based on the MAQ scores from the initial evaluations, the following Respondents were removed from consideration:

- Advantage
- CareSource

The remaining four Respondents were short-listed for further consideration. These four short-listed Respondents were invited to oral presentations. The short-listed Respondents are listed below:

- Anthem
- Magellan
- MDwise
- MHS

Following oral presentations the short-listed Respondents replied to clarification questions and scores were revisited.

C. IDOA Scoring

IDOA scored the Respondents in the following areas: Buy Indiana (10 points), Indiana Economic Impact (5 points), Minority and Women Business Participation (10 points + 1 available bonus point each) and Indiana Veteran Business Enterprise Participation (5 points + 1 available bonus point) using the criteria outlined in the RFP. When necessary, IDOA clarifies certain Buy Indiana, Indiana Economic Impact, Minority and Women Business Participation and Indiana Veteran Business Enterprise Participation information with the Respondents. Once the final MWBE, IVBE and IEI forms were received from the Respondents, the total scores out of 103 possible points were tabulated and are as follows:

Table 2: Final Evaluation Scores

| Respondent | MAQ | Buy IN | IEI | MBE* | WBE* | IVBE* | Total Score |
|-----------------|-------|---------------|------|-------|-------|-------|--------------------|
| Points Possible | 60 | 10 | 5 | 10+1 | 10+1 | 5+1 | 100+3 |
| Anthem | 44.38 | 10.00 | 4.80 | 10.00 | 10.00 | 0.66 | 79.84 |
| Magellan | 42.00 | 0.00 | 5.00 | 8.75 | 10.00 | 6.00 | 71.75 |
| MDwise | 53.75 | 10.00 | 2.36 | 10.00 | 11.00 | 4.18 | 91.28 |
| MHS | 52.63 | 10.00 | 4.43 | 11.00 | 7.50 | 1.02 | 86.57 |

 $^{^{\}ast}$ See Sections 3.2.5 and 3.2.6 of the RFP for information on available M/W/VBE bonus points.

Award Summary

During the course of evaluation, the State scrutinized all proposals to determine the viability of the proposed business solutions' ability to meet the goals of the program and the needs of the State. The team evaluated proposals based on the stipulated criteria outlined in the RFP document.

This agreement shall be for a period of four (4) years from the date of contract execution. There are two (2) one year renewals for a total of six (6) years at the State's option.